

EAGLEPICHER ENERGY PRODUCTS CORPORATION
EAGLEPICHER MEDICAL POWER
VANCOUVER, BC, CANADA

**STANDARD TERMS AND CONDITIONS FOR THE PURCHASE
OF GOODS AND SERVICES FOR USE IN MEDICAL RELATED APPLICATIONS - V.12Dec06**

- 1. PARTIES.** This Purchase Order Agreement (“Agreement”) is by and between EaglePicher Energy Products Corp., (“EPEPC”), a company incorporated under the Canada Business Corporation Act (“Buyer”), and the party contracting to provide goods and/or services (“Products”) hereunder (“Seller”).
- 2. OFFER AND ACCEPTANCE.** Seller may accept this Agreement in its entirety, and any amendments thereto, by either: (i) signing and returning to Buyer a written acknowledgment of a Purchase Order, or (ii) commencing work under such Purchase Order, regardless of whether Seller signs or returns a copy of the Purchase Order. By acceptance of a Purchase Order, Seller agrees to be bound by and comply with all terms and conditions of this Agreement, including any supplements thereto, and all specifications and other documents referred to therein. Buyer hereby rejects any attempted acknowledgement, counteroffer or other document(s) by Seller, which contain terms and conditions that are different than, inconsistent with, or in addition to the terms and conditions contained in this Agreement, regardless of when issued, unless Buyer accepts such terms in writing, as evidenced by an amended Purchase Order.
- 3. PRICE.** Seller shall supply goods or services indicated in a Purchase Order at the prices provided therein for the period specified in the Purchase Order. Prices shown in a Purchase Order are not subject to increase unless agreed to in writing by Buyer. Seller certifies that the prices in a Purchase Order are not higher than the prices charged to other customers purchasing similar goods in similar quantities for similar deliveries.
- 4. CHANGES.**
 - (a) Buyer may at any time, by providing written notice to Seller, suspend work or make changes in Seller’s Products to be provided under a Purchase Order. Such changes may include, but are not limited to: (i) quantities, (ii) drawings, designs, or other specifications, (iii) packing, method of shipment, or place of delivery
 - (b) If such changes cause an increase or decrease in the cost of performance of a Purchase Order, the parties shall promptly negotiate in good faith an equitable adjustment, and the Purchase Order shall be modified in writing accordingly. In no event, however, shall Buyer’s liability for obsolete Products resulting from any change exceed the value of the materials and parts in process at the time of the change. Any claim for adjustment under this Article 4 by Seller shall be submitted to Buyer within twenty (20) calendar days from the date that Seller receives Buyer’s notification of the change or suspension, specifying the amount claimed with supporting cost documentation. Seller may not make any changes to a Purchase Order without Buyer’s express written consent. Any technical information or guidance that Buyer provides to Seller in connection with the Seller’s performance of a Purchase Order shall not be deemed a change under this Article 4. Nothing in this Article 4, including any disagreement with Buyer as to the equitable adjustment to be made, shall excuse Seller from proceeding with an order as changed.
- 5. PACKING AND MARKING.** Unless otherwise provided in a Purchase Order, Seller shall package and mark Products in accordance with Buyer’s instructions. Seller shall pack each shipment and include such information and markings as required by a Purchase Order.
- 6. DELIVERY AND TITLE.** Unless otherwise stated in a Purchase Order, all goods order shall be shipped FCA Seller’s Facility (Incoterms 2000). Transportation and Insurance shall be to Buyer’s account unless instructed otherwise in writing in the Purchase Order. No other insurance charges will be allowed, unless Buyer or Buyer’s Agent otherwise authorizes. Title to the goods shall pass to Buyer subject to Buyer’s acceptance and inspection of the goods in accordance with Article 8, Inspection and Acceptance; Nonconforming Goods, below. Should Seller fail to comply with the delivery schedule, as stated in a Purchase Order or otherwise, Buyer may, in addition to any other rights which Buyer may have, require delivery by the fastest available means. Seller shall also prepay and be solely responsible for the charges resulting from any alternate mode of transportation or from any unauthorized mode of transportation.
- 7. EXCESS QUANTITIES.** Unless otherwise stated in a Purchase Order, during a Product Development Stage, buyer will accept over-shipments to a maximum of 10% of the quantity stated in a Purchase Order. However, for regular production requirements, unless otherwise stated in a Purchase Order, Buyer shall have no obligation to accept under- or overshipments. In the event of an overshipment Buyer may, at its option: (i) retain Products shipped in excess of the quantities stated in a Purchase Order, at the price set forth in such Purchase Order, or (ii) return such Products to Seller at Seller’s expense, or (iii) place into storage the excess quantities of goods, until such time as Buyer may need them, at Seller’s expense.

8. INSPECTION AND ACCEPTANCE; NONCONFORMING GOODS. (a) All Products shall comply with all applicable specifications of a Purchase Order and shall be subject to inspection and acceptance by Buyer, its agent(s), or its customers at any reasonable time and place, including Seller's facility during the period of manufacture. Notice of defective material and or workmanship will be given by Buyer to Seller within thirty (30) days of receipt of goods.

(b) Notwithstanding the provisions of Para. 8.(a) above, if Buyer determines at its sole discretion that any of the Products are nonconforming, then Buyer shall inform Seller as soon as is reasonably possible in order to facilitate immediate corrective action(s) on the part of Seller. Notwithstanding such early notification, Buyer, at its option and at Seller's expense, may, without limiting any other remedies available to Buyer, reject and return (subject to Return Material Authorization (RMA)), or retain and correct, any goods that do not conform to the requirements of a Purchase Order or applicable specifications, even if Buyer does not discover the nonconformity until after Buyer uses such Products or after manufacturing devices made with such Products. Seller shall reimburse Buyer for any and all costs that Buyer incurs concerning any nonconformity, including but not limited to any or all of the following: (1) inspecting, sorting and storing the nonconforming goods, (2) processing rejected nonconforming goods, (3) modifying the goods to make them conforming, (4) transporting the nonconforming goods back to Seller in the event of a return, (5) obtaining conforming goods from an alternate source, if necessary, (6) reworking or scrapping any of Buyer's devices which incorporate Seller's nonconforming Products, and (7) all costs and expenses that Buyer incurs from any of its customers who purchase Buyer's devices that incorporate Seller's nonconforming Products, including but not limited to, the cost of any recalls. Buyer's payment for any nonconforming Products that Seller delivers shall not constitute acceptance by Buyer thereof, regardless of when the nonconformity is discovered. Seller shall deliver any replacement or reworked goods to Buyer as per schedule agreed to by Buyer

(c) Buyer's failure to inspect and accept or reject goods, or failure to detect any nonconformity by inspection, shall neither relieve Seller from its obligations or any liability, nor impose liabilities on Buyer, its agents or customers. Seller shall provide and maintain an inspection and process control system acceptable to Buyer and Buyer's customers covering the goods hereunder. Seller shall maintain and complete records of all inspection work that it conducts, and shall make such records available to Buyer, and Buyer's agents and its customers upon request.

9. EXCUSABLE DELAYS (FORCE MAJEURE). Following the occurrence of an event, circumstance or condition beyond the reasonable control of either Party, including but not limited to, acts of God, actions by any government authority, actions by a customer, strike, work slowdown or other labor unrest, fires, floods, windstorms, explosions, riots, natural disasters, wars, or sabotage, either Party shall have the right, by written notice, to suspend work or make changes in delivery schedules for Seller's goods or services to be provided under a Purchase Order, without liability to either Party. Seller shall promptly notify Buyer when an excusable delay has occurred or when Seller reasonably believes that such the occurrence of an excusable delay is inevitable. If the work suspension or any material change in delivery schedule exceeds thirty (30) calendar days, either Party may cancel the subject Purchase Order without liability by providing written notice to the other Party within two (2) business days after the expiration of such thirty (30) day period.

10. INVOICING AND PAYMENT. Seller shall submit properly documented invoices to Buyer as instructed and authorized by a Purchase Order. Payment shall be made by Buyer net forty-five (45) calendar days from the date that Buyer receives the invoice, unless the Purchase Order specifically states otherwise.

11. SALES AND OTHER TAXES. United States or other Non-Canadian Sellers will not charge Buyer any federal, state, provincial or local taxes on any goods or services, unless required by law and not already paid for as part of the price(s). Canadian Sellers may charge General Service Tax (GST) but no Provincial Sales Taxes (PST). Buyer will use all goods or services for resale or in industrial processing or manufacturing of taxable goods for sale.

12. SELLER'S WARRANTIES. (a) Seller expressly warrants that all Products will be manufactured, provided, and transported in full and complete conformity and in compliance with all Purchase Order requirements, specifications, drawings, designs, samples and other descriptions or requirements as Buyer may furnish or specify. Seller further expressly warrants that all Products will be free from defects in materials and workmanship, and to the extent that Seller has provided the design for the Products sold hereunder, will be free from for defects in design, Seller represents and warrants that any goods or services it supplies pursuant to a Purchase Order, shall not infringe on any present patent or patent application, copyright, trademark, service mark or other intellectual property right of any person or entity. Seller further warrants that all goods and services sold shall be free of any claim of any nature by any third person or entity, and that Seller shall convey clear and marketable title to Buyer. All statements and representations that Seller makes to Buyer, including but not limited to any sales literature, constitute warranties upon which Buyer may rely.

(b) All warranties expressed herein are in addition to any other warranties provided by law, express or implied. The warranty

period shall commence upon Buyer's acceptance, use, or operation of the Products, whichever is later, and continue for one (1) year thereafter, or for such other period of time as may be specified in a Purchase Order or other documents. Should Seller's standard warranty run for a longer period, Seller shall extend such longer warranty period to Buyer. Any attempt by Seller to limit, disclaim, or restrict any such warranties or remedies of Buyer, shall be null, void, and ineffective without Buyer's written consent.

13. QUALITY CONTROL AND SAMPLES. Seller shall implement and maintain an acceptable quality management system, preferably in accordance with ISO-9000, from a reputable certification organization or a quality management system in accordance with EaglePicher's EP-QC-1159, "Suppliers Inspection System Requirements". Seller shall maintain manufacturing and process control plans with a minimum process capability as stated in the ISO-9000 documentation or as stated in EaglePicher's EP-QC-1159, "Suppliers Inspection System Requirements". Seller shall submit to Buyer, if requested, its semi-annual and/or annual ISO-9000 or other quality management system audit closure letter within thirty (30) days after Seller receives such audit closure letter from the certifying organization. Seller's system, including the procedures, is subject to EaglePicher's review and evaluation throughout the period of performance of the tasks associated with the Purchase Order. Seller's system, including the procedures, may be subject to disapproval if they adversely impact the quality of the Products. If requested by Buyer Seller shall supply to Buyer a reasonable quantity of samples of any product or part, free of charge, for the purpose of evaluation by Buyer.

14.A. INDEMNIFICATION OF BUYER. Seller shall defend, indemnify, and hold harmless Buyer and Buyer's affiliates, agents, and customers from any and all damages, liabilities, claims, losses, suits, legal actions, investigations, or any threat of the same, and any costs incurred in connection therewith, including but not limited to, attorney fees and litigation expenses, arising out of or related to a Purchase Order or any breach by Seller of this Agreement, or which may result in any way from any accident, injury, libel, or property damage by reason of any act or omission by Seller, its agents, employees, or subcontractors, except to the extent that the accident, injury, libel, or property damage is due solely and directly to Buyer's negligence. Buyer may, at its sole option: (i) tender such claim to Seller to defend using legal counsel acceptable to Buyer, or (ii) defend such claim by legal counsel of Buyer's choosing and Seller shall reimburse Buyer for all costs of such defense. In either case Seller shall indemnify and hold Buyer harmless from and against all damages arising out of or relating to such claim. If Buyer tenders the defense of a claim to Seller and Seller accepts such defense, then Seller shall be conclusively deemed to have agreed that such claim is subject to indemnification hereunder, and that Seller has no claim or counterclaim against Buyer, all of which Seller shall be deemed to have waived. If Seller assumes the defense of a claim and thereafter fails to vigorously defend such claim, Buyer shall have the right, at its option, to assume the defense of such claim and Seller shall remain obligated to indemnify Buyer hereunder. If Seller assumes the defense of a claim, Seller shall not settle or compromise such claim without Buyer's prior written consent. Seller shall at all times maintain such liability, property damage, and employee liability insurance in a sufficient amount that will protect Buyer from any or all of the foregoing risks, and upon Buyer's request shall supply certificates of insurance.

14.B. INDEMNIFICATION OF SELLER. Buyer shall defend, indemnify, and hold harmless Seller and Seller's affiliates, agents, and customers from any and all damages, liabilities, claims, losses, suits, legal actions, investigations, or any threat of the same, and any costs incurred in connection therewith, including but not limited to, attorney fees and litigation expenses, arising out of or related to a Purchase Order or any breach by Buyer of this Agreement, or which may result in any way from any accident, injury, libel, or property damage by reason of any act or omission by Buyer, its agents, employees, or subcontractors, except to the extent that the accident, injury, libel, or property damage is due solely and directly to Seller's negligence. Seller may, at its sole option: (i) tender such claim to Buyer to defend using legal counsel acceptable to Seller, or (ii) defend such claim by legal counsel of Seller's choosing and Buyer shall reimburse Seller for all costs of such defense. In either case Buyer shall indemnify and hold Seller harmless from and against all damages arising out of or relating to such claim. If Seller tenders the defense of a claim to Buyer and Buyer accepts such defense, then Buyer shall be conclusively deemed to have agreed that such claim is subject to indemnification hereunder, and that Buyer has no claim or counterclaim against Seller, all of which Buyer shall be deemed to have waived. If Buyer assumes the defense of a claim and thereafter fails to vigorously defend such claim, Seller shall have the right, at its option, to assume the defense of such claim and Buyer shall remain obligated to indemnify Seller hereunder. If Buyer assumes the defense of a claim, Buyer shall not settle or compromise such claim without Seller's prior written consent. Buyer shall at all times maintain such liability, property damage, and employee liability insurance in a sufficient amount that will protect Seller from any or all of the foregoing risks, and upon Seller's request shall supply certificates of insurance.

15. INTELLECTUAL PROPERTY INDEMNIFICATION. Specifically for raw materials used by Buyer in the manufacture of Medical Power batteries, Seller shall defend, indemnify, and hold harmless Buyer and Buyer's affiliates, agents, and customers from any and all damages, liabilities, claims, losses, suits, legal actions, investigations, or any threat of the same, that the manufacture or furnishing of goods and/or services under this Agreement or under a Purchase Order, or that the sale or use of such goods constitutes an infringement of any patent, trade secret, trademark, service mark, copyright, or related application, or other intellectual property or proprietary information infringement. If any Product is enjoined in any manner

due to such infringement, Seller shall, at its own expense and at its option, either: (i) procure for Buyer and its customers the right to continue using said goods, (ii) replace the infringing item with a non-infringing equivalent, (iii) modify the item so that it becomes non-infringing, or (iv) upon showing an inability to do any of the foregoing, remove the Product and refund the purchase price and any related transportation, installation and replacement costs to Buyer. Seller shall at all times maintain such intellectual property insurance in a sufficient amount that will protect Buyer from any or all of the foregoing risks, and upon Buyer's request shall supply certificates of insurance. This clause does not apply to parts and components specifically designed or specified by Buyer.

16. COMPLIANCE WITH LAWS. Seller represents, warrants, and certifies that it shall comply with all applicable international, federal, state, provincial and local laws, rules, regulations, and or ordinances. Without limitation, Seller certifies that all of its activities in providing goods and services under this Agreement or under a Purchase Order conform and comply with the latest applicable environmental, health, and safety laws and regulations, and any other pertinent international, federal, state, provincial or local statutes, laws, rules or regulations with respect to chemical substances, hazardous materials, and environmental matters. Seller further certifies that it shall comply with all laws, rules and regulations, and any subsequent amendments thereto, pertaining to employment standards, equal opportunity requirements and the like.

(b) Goods supplied under this purchase order may be exported worldwide, including countries that prohibit the importation of goods manufactured with child labor or forced, indenture or convict labor. Seller represents, warrants, and certifies that no goods or services supplied under this Agreement or under a Purchase Order have been or will be produced using forced, indentured or convict labor, or the labor of persons in violation of the minimum working age or minimum wage, hour of service, or overtime laws of the country of manufacture. If Buyer determines that Seller has failed to comply with the requirements of this Article 16, Buyer may terminate this Agreement or any Purchase Order without further compensation to Seller, and Seller shall defend, indemnify and hold harmless Buyer and Buyer's affiliate, agents, and customers in accordance with the provisions of Article 14, Indemnification, above.

17. BUYER'S PROPERTY. (a) Buyer may provide to Seller or purchase from Seller, certain items of tangible and intangible property, including but not limited to, tools, equipment, machinery, materials, drawings, specifications, computer software, documents, information, data, or other intellectual property or proprietary information, which Buyer may furnish for the sole purpose of assisting Seller in performing its obligations under this Agreement or under a Purchase Order. Additionally, any invention or intellectual property that Seller first makes or conceives in the performance of this Agreement or under the Purchase Order, or which is derived from or based on the use of information supplied by Buyer, shall be considered a "work made for hire" and shall also be Buyer's Property, which Buyer shall own solely and exclusively. Seller shall execute any documentation and take all appropriate measures, as Buyer deems necessary, to perfect Buyer's title to the same.

(b) All such Property paid for by Buyer, shall remain Buyer's personal property, unless the parties otherwise agree in writing. Buyer shall mark or otherwise identify any of its property delivered to Seller with such identifying labels as Buyer shall elect. However, all of Buyer's Property furnished to Seller shall be deemed to be proprietary property to Buyer, whether or not it is marked as such with any restrictive legend.

(c) Seller shall use Buyer's Property solely to render services or provide Products to Buyer. Seller shall exercise the same care in maintaining, storing and using Buyer's Property as it exercises with its own property, but in no event shall Seller exercise less than reasonable care with respect to any of Buyer's Property in Seller's possession, reasonable wear and tear excepted. Seller shall not commingle Buyer's Property with Seller's own property or that of a third party. Seller shall insure Buyer's Property in an amount equal to the replacement cost, and name Buyer as an additional insured under such insurance policy with any losses payable to Buyer. Seller shall not substitute any property for Buyer's Property and shall not use Buyer's Property except in fulfilling its obligations under this Agreement or in completing the Buyer's Purchase Order. Buyer may, for any reason and upon reasonable notice to Seller, remove Buyer's Property from Seller's premises at mutually agreeable dates and times, and at Buyer's Expense. At Buyer's requests, Seller shall prepare such property for shipment and shall deliver it as Buyer directs, at Buyer's expense. Notwithstanding the foregoing, upon completion or termination of this Agreement or an applicable Purchase Order, Seller shall promptly return to Buyer all of Buyer's Property in Seller's possession.

(d) Buyer hereby grants Seller a non-exclusive, non-transferable license to use Buyer's Property. Seller shall not use, utilize, misappropriate, disclose, or reproduce Buyer's Property for any purpose, except that Seller may allow its suppliers and subcontractors to utilize Buyer's Property for the sole purpose of enabling Seller's suppliers and subcontractors to assist Seller in performing its obligations under this Agreement or under a Purchase Order, but only on the condition that Seller's suppliers and subcontractors agree in writing to the provisions of this Article 17 and in accordance with Article 30, Subcontracting, below. Buyer may terminate this license with or without cause at any time. Under no circumstances, however, shall Seller claim a security interest in any of Buyer's Property, or any replacements, improvements, substitutions, attachments, and accessories thereto, in Seller's possession.

18. NOT APPLICABLE

19. DISCLOSURE OF INFORMATION. (a) Any information that Seller discloses or may hereafter disclose to Buyer in connection with a request for a quotation or the purchase of goods or the services covered by this Purchase Order, shall not be deemed confidential or proprietary information, and shall be acquired free from any restrictions other than a claim for patent infringement as part of the consideration for this Purchase Order, unless Buyer otherwise agrees in writing.

(b) Seller shall maintain as strictly confidential, all technical information, drawings, specifications, prototypes, financial and economic data, and other information that Buyer may disclose to Seller, or that Sellers develops in connection with the Products pursuant to a Purchase Order, whether or not identified as confidential or proprietary information. Seller shall not disclose any such information without Buyer's prior written consent, except as may be legally required. Should Seller be legally required to disclose any such information, it shall immediately notify Buyer, so that Buyer may seek an appropriate protective order.

(c) Notwithstanding the above and unless otherwise expressly authorized by either Seller or Buyer, a Recipient of Confidential Information shall retain the Confidential Information in confidence, shall not disclose, use or reproduce the Confidential Information for any reason other than the Stated Purpose.

(d) The Confidential Information is and shall remain at all times the exclusive property of the Discloser. No License, express or implied, in the Confidential Information is granted to the Recipient other than to use the Confidential Information in the manner and to the extent authorized.

(e) Upon completion or termination of an applicable Purchase Order, Seller shall promptly return to Buyer all materials, confidential and proprietary information, and any copies thereof, and all of Buyer's Property in accordance with Article 17, Buyer's Property, above. The obligations under this Article 19 shall survive the cancellation, termination or completion of a Purchase Order.

(f) Neither party shall publicly release any information regarding this Agreement, unless mutually agreed to in writing.

20. WORK ON BUYER'S OR ITS CUSTOMER'S PREMISES. (a) Seller shall comply with all of Buyer's and/or Buyer's customer's safety and security procedures for all work that Seller, its employees, agents, or subcontractors may perform on either Buyer's or its customer's premises. Seller shall also take all necessary precautions to prevent the occurrence of any injury to person or damage to property during the performance of such work on Buyer's or its customer's premises. Seller shall defend, indemnify, and hold harmless Buyer and/or Buyer's customer against any claim that results from any act or omission by Seller, its employees, agents, and subcontractors, which is related to its work on Buyer's or its customer's premises, except to the extent that the injury or damage is due solely to Buyer's or its customer's negligence, as the case may be. Seller shall maintain comprehensive general liability, automobile liability, and employers' liability insurance with limits as Buyer may reasonably require, as well as appropriate workers' compensation insurance. Upon Buyer's request, Seller shall provide to Buyer evidence that the required insurance is in effect during any period while this Agreement or a Purchase Order issued hereunder remains in effect.

(b) Seller shall not knowingly assign employees or subcontractor's employees to work on Buyer's or its customer's premises, who (i) have tested positive for any illegal drug or unauthorized controlled substance, (ii) have been convicted of any felony, or any crime of dishonesty or violence.

(c) Seller shall comply with any and all federal, state, provincial or local drug or alcohol abuse and/or drug testing statutes or regulations for any of its employees who perform work on Buyer's or its customer's premises.

(d) Seller shall impose the requirements of this Article 20 with its agents and subcontractors who will perform work on Buyer's or its customer's premises pursuant to this Agreement or under a Purchase Order.

(e) If Seller fails to comply with any of the provisions of this Article 20, Buyer may immediately expel Seller's employee(s) from Buyer's or its customer's premises and Buyer may also terminate this Agreement or any Purchase Order for default.

21. ACCESS TO SELLER'S FACILITY. Seller will allow Buyer and its Customers access to Seller's facilities involved in performing Seller's obligations under a Purchase Order for purposes of reviewing any tests, inspections or production during Seller's normal business hours, and at reasonable dates and times as the parties may agree.

22. DEFAULT BY SELLER. Time is of the essence with respect to the Purchase Order. If for any reason Seller anticipates

difficulty in complying with the scheduled delivery, or in meeting any of the other requirements of a Purchase Order or any of the terms and conditions of this Agreement, Seller shall immediately notify Buyer in writing. In no event, however, shall any notice provided hereunder be construed as a waiver by Buyer of any delivery schedule or any other rights or remedies provided to Buyer under this Agreement. Should Seller fail to deliver any Products pursuant to the schedule(s) set forth in the Purchase Order, or fail to comply with any provision contained in this Agreement or in the Purchase Order, such a failure shall be deemed a default by Seller. In the event of Seller's default, Buyer may, in its sole discretion: (i) terminate a Purchase Order without further compensation to Seller by providing written notice, (ii) obtain substitute or replacement goods or services without notice to Seller, and/or (iii) thereafter reject any late goods or services tendered by Seller, even if conforming. Seller shall be responsible for all damages that Buyer may incur as a result of Seller's failure to meet delivery schedules, including, but not limited to, the cost of obtaining goods from an alternate source and/or expedited or premium freight or transportation costs. Alternatively, Buyer at its sole discretion may extend the delivery schedule and/or waive other deficiencies in Seller's performance. In either such case, Seller shall extend to Buyer an equitable reduction in the Purchase Order price. If Buyer approves a revised delivery date, Seller shall pay any additional transportation charges. The rights and remedies of Buyer provided in this Article 22 shall not be exclusive, nor deemed an election remedies, and are in addition to any other rights and remedies provided under this Agreement or a Purchase Order, or allowed by law. Seller's warranty, intellectual property, confidentiality, and related obligations under this Agreement, and all of Buyer's rights and remedies for any breach by Seller, shall survive Buyer's termination due to Seller's default.

23. TERMINATION FOR CONVENIENCE. Buyer may terminate a Purchase Order, in whole or in part, at any time and for any reason and without liability, upon thirty (30) days prior written notice to Seller. Such termination shall not constitute a default by Buyer. In such event, Seller shall immediately stop all work on such Purchase Order, and upon Buyer's request, transfer title and deliver to Buyer all finished goods, work in process, and/or raw materials that Seller produced or acquired in connection with a Purchase Order. In the event that Buyer terminates for convenience, Buyer shall reimburse or pay to Seller: (i) the Purchase Order price for all finished and conforming Products delivered to Buyer, and (ii) Seller's reasonable actual cost of work in process or raw materials which Seller produced or acquired in connection with a Purchase Order, and which Seller cannot reasonably use in its operations within ninety (90) days after the date that Buyer terminates. Seller shall furnish to Buyer any claim for reimbursement of such costs along with supporting documentation within thirty (30) days after termination, or any such claim shall be deemed to have been waived. Buyer's obligation to Seller on termination, if any, shall be limited to the express provisions of this Agreement. Seller's warranty, intellectual property, confidentiality, and related obligations under this Agreement shall survive Buyer's termination for convenience.

24. LIMITATION ON LIABILITY OF BUYER. Notwithstanding any other provisions of this Agreement, under no circumstances shall Buyer be liable or held responsible for consequential, incidental, special, or indirect loss or damage including whether such loss or damage arises from contract, negligence, recklessness, strict liability, or otherwise. In no event shall any liability of Buyer exceed the price allocable to the Products that gave rise to the claim. The foregoing shall constitute the sole and exclusive remedy of Seller, and the sole and exclusive liability of Buyer. Seller hereby waives, releases, and renounces all other rights, claims, and remedies against Buyer.

25. BUYER'S REMEDIES. Buyer's remedies are cumulative and in addition to all remedies set forth herein or otherwise legally available. Buyer may exercise its remedies either individually or cumulatively. Buyer's selection of any particular remedy, or its forbearance in exercising any remedy available to it, shall not constitute an election or waiver of any other remedy.

26. SET-OFF. Notwithstanding any other available remedies, Buyer may, at its option, set off any amounts it owes to Seller under this Agreement or a Purchase Order against any amount that Seller owes to Buyer under: (a) this Purchase Order, (b) any other separate agreement or purchase order(s) between the parties, or (c) any claim, judgment or other liability against Seller by Buyer.

27. BANKRUPTCY, INSOLVENCY, AND CESSATION. (a) Seller shall provide at least fifteen (15) calendar days advance notice to Buyer of any of the following events involving or affecting Seller or Seller's parent, affiliates, or subsidiaries: (i) imminent filing of a bankruptcy petition of any type; (ii) declaration that Seller or Seller's parent, affiliates, or subsidiaries has or will become bankrupt or insolvent; (iii) proposed or contemplated liquidation, receivership, or assignment for the benefit of Seller's creditors; or (iv) cessation of Seller's business or Seller's intent to cease to do business. Effective upon the issuance of such notice, Seller shall be deemed in default, and Buyer may in Buyer's sole discretion and notwithstanding any other provision of this Agreement, immediately cancel this Agreement or any Purchase Order without any liability. Buyer shall nonetheless be responsible for the payment of any outstanding balance and/or unpaid invoice owed to Seller for Products delivered to Buyer prior to the issuance of such notice.

28. NON-ASSIGNMENT. Neither party shall assign this Agreement or any Purchase Order, or any rights or obligations hereunder, without the prior written consent of the other.

- 29. CHANGE IN OWNERSHIP.** As used herein, a “Change in Ownership” shall occur if: (a) a person or group of persons acting in concert directly or indirectly acquire more than 50% of Seller’s or Seller’s parent’s voting power subsequent to the date that the parties enter into this Agreement; (b) Seller or Seller’s parent sells, leases, transfers or otherwise disposes of substantially all of Seller’s or Seller’s parent’s assets, or of the assets relating to the Products Seller produces for Buyer under this Agreement; (c) Seller or Seller’s parent becomes involved in a merger, reorganization, consolidation, share exchange, recapitalization, business combination, liquidation or dissolution or similar transaction; or (d) Seller or Seller’s parents is the subject of a tender or exchange offer for any of the outstanding shares of its capital stock. Seller shall provide notice to Buyer of any pending or possible Change in Ownership, as soon as Seller becomes aware of the events giving rise to the Change. If Seller is or becomes the subject of a Change in Ownership, Buyer may at its discretion terminate this Agreement or a Purchase Order for default under Article 22, Seller’s Default, at no cost to Buyer, and notwithstanding any termination, Seller shall take all measures reasonably necessary to protect Buyer’s Property and any proprietary information. Pending termination or in lieu of termination, Buyer may require that Seller provide adequate assurance of performance.
- 30. SUBCONTRACTING.** Seller shall neither subcontract nor delegate performance of its obligations under this Agreement or Purchase Order without Buyer’s prior written consent.
- 31. DISPUTE RESOLUTION.** Any and all disputes, controversies or claims arising under or relating to this Agreement or any Purchase Order or breach, termination, or invalidation under this Agreement or a Purchase Order shall upon written notice, be referred to the respective representatives for each party. The parties, through their representatives and/or senior management shall confer in good faith to attempt to resolve the matter. If the parties are unable to resolve the matter within a reasonable amount of time, either party may refer the matter to administered mediation. If the parties are unable to fully resolve the dispute or claim through mediation, then either party may file a lawsuit in a court of competent jurisdiction, in accordance with Article 36, Governing Law, Jurisdiction, and Venue.
- 32. AUTHORIZATION.** Seller represents and warrants to Buyer that Seller has the authority and right to enter into this Agreement without breaching or violating any fiduciary, contractual, statutory, or other legal obligations.
- 33. ENTIRE AGREEMENT.** This Agreement of Standard Terms and Conditions for the Purchase of Goods and Services for Use in Medical Related Products, together with all documents and provisions expressly incorporated herein by reference shall constitute the entire and exclusive understanding and agreement between the parties, and supersedes all prior agreements, representations, and understandings between the parties with respect to its subject matter. This Agreement shall not be modified without the prior written consent of both parties. Notwithstanding the above, Buyer may issue a Purchase Order with specific amendments to this Agreement, as agreed with Seller.
- 34. THIRD PARTY BENEFICIARIES.** Nothing in this Agreement, expressed or implied, is intended to confer any rights, benefits, remedies, obligations, or liabilities on any individual or entity other than the parties to this Agreement, or their respective successors or assigns.
- 35. CONFLICTS.** In the event of a conflict between the terms and conditions of this Agreement and a Purchase Order, the terms and conditions of the Purchase Order shall prevail. In the event of any other conflict, the terms and conditions contained in this Agreement shall prevail, unless the parties agree otherwise in writing.
- 36. GOVERNING LAW, JURISDICTION, AND VENUE.** This Agreement shall be interpreted, governed, construed and enforced in accordance with the laws of the Province of British Columbia, Canada, without regard to its conflicts of law principles. Seller hereby consents to the exclusive jurisdiction of the courts of the Province of British Columbia, Canada. Seller waives any objection based on lack of personal jurisdiction, improper venue or *forum non conveniens*.
- 37. NON-WAIVER.** Buyer’s failure to either enforce at any time any provision contained in this Agreement or in the Purchase Order, to exercise any right, privilege, or legal remedy shall not be deemed a waiver of such provisions or right, remedy, or privilege.
- 38. SEVERABILITY.** In the event that any provision of this Agreement or any Purchase Order may be invalid, unlawful or incapable of being enforced by a rule of law or public policy, all other provisions shall, nonetheless, remain in full force and effect.
- 39. SECTION HEADINGS.** Section headings are for the convenience of the parties only and shall not be used to construe or interpret the terms and conditions contained herein.
- 40. RECORD RETENTION REQUIREMENTS.** Medical Related Products require Seller to maintain, for seven (7) years, all

relevant documentation and purchase order files for supplies, equipment, material, or services provided to Buyer, including but not limited to supporting documentation, technical data, invoices and memoranda.